



8 July 2021

NSW Department of Planning, Industry and Environment  
Locked Bag 5022  
PARRAMATTA NSW 2124

**Inner West Council FINAL Submission on the *Proposed Employment Zones Reform Position Paper***

To the relevant officer,

Please consider this Inner West Council's formal submission to the Proposed Employment Zones Reform Position Paper (the Paper). We thank the Department for the opportunity to comment on the Paper and hope our feedback proves constructive.

In summary, Council principally raises concern with the proposed 'creative industries' definition, the removal of the IN2 zone, the potential loss of, and increased competition for industrial land by other high-order land uses, the potential loss of, and increased competition for employment land by residential uses, and the retention of a dedicated mixed-use zone.

Contrary to the intent of the Paper, the changes will not allow Council to pursue its long-term strategic planning objectives, most notably protecting and promoting industrial and employment lands. These are outlined in Council's Local Strategic Planning Statement (LSPS) and Employment Retail Lands Strategy (EaRLS).

This submission provides further discussion on the Paper and raises issues where the Paper does not strategically align with Council's plans, policies or strategies.

**General Comments**

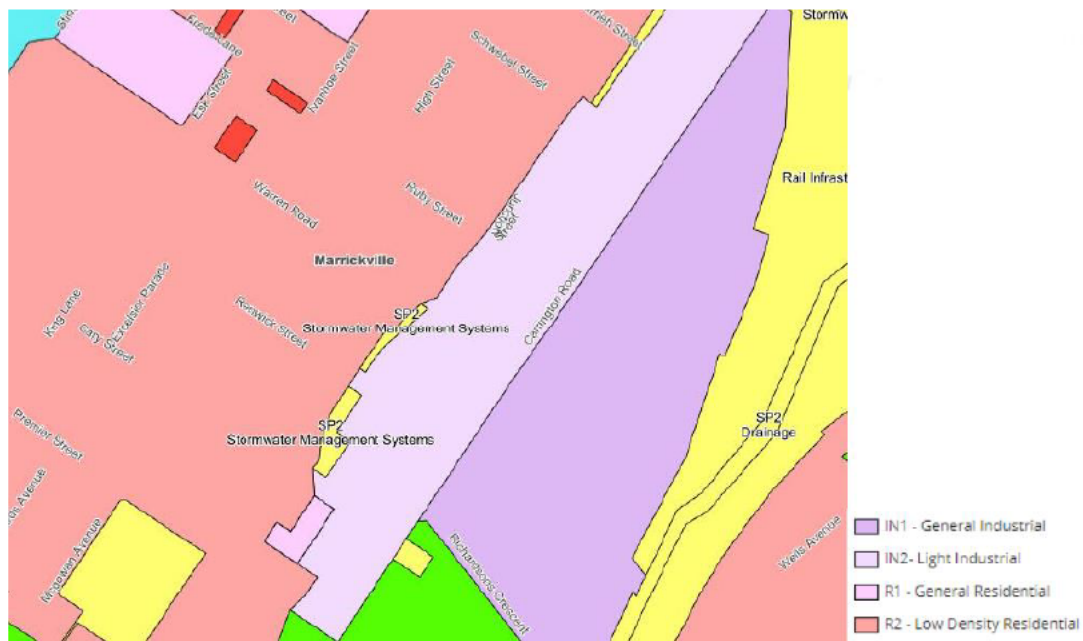
1. A clear distinction needs to be made between the labels of the proposed 'employment zones' E1, E2, E3, E4 and E5 and the existing 'E' 'environmental zones' which are also labelled E1, E2, E3 and E4.
2. Councils must retain the ability to add zone objectives in addition to those proposed in the Draft Standard Instrument Amendment Order 2021 (the Draft). The Paper states that in some instances Councils can pick from two or more different objectives. However, unlike the previous Preliminary Framework Paper, the Draft does not provide any clarity on which objectives are subject to variation. Given the [REDACTED] proposed objectives.
3. A number of 'group terms' such as 'tourist and visitor accommodation' are included as mandated [REDACTED] uses. It is critical to Council to have the ability to prohibit affiliated 'subset terms' where [REDACTED] necessary – for example 'serviced apartments' as it is Councils experience that these [REDACTED] facto boarding houses when permitted in zones that prohibit residential uses. [REDACTED] Alternatively, mandated subset terms should be used in place of mandated group terms.
4. The effective merging of several zones as well as the significant overlap in mandated permitted uses between the proposed zones affects Councils ability to support placemaking. This is particularly apparent in the E1, E2, the merging of 3 zones into E3 and MU zones. The vast majority of businesses within the Inner West are small to medium in size with a significant level of diversity. This diversity is supported by the current variety of zones and separation of permissible land uses.
5. Greater flexibility needs to be provided to allow Council to add/change objectives and determine whether uses should be permissible to support placemaking.
6. While a new 'creative industries' land use definition is welcome, concerns are raised that the definition as proposed is too broad.

- 'Creative industries' includes creative services (such as media and design) which are largely technology and desk based and can easily be accommodated outside industrial zones. These activities should be encouraged within the centres and peripheries of centres as much as possible to relieve pressure on industrial zones.
- Council's Employment and Retail Land Study proposed the following definitions 'creative industries' as proposed should be split into separate land use definitions along the following lines:
  - **'Cultural production'** is the making of cultural products, from small-scale jewellers and ceramic manufacturers to musicians, and from visual artists and theatre makers, to larger scale prop and set designers. This generally includes direct-to-consumer products and services, whose making is often noisy and messy at occurs at the interface of creative industries and manufacturing. Cultural producers generally need affordable, flexible spaces with long opening hours, loading zones and can require a variety of sizes including smaller studio type spaces and large format warehouses. It is noted that cultural production spaces are often hybrid and can include elements of production, testing and showcasing. In terms of land use planning, cultural production is defined as a type of industry.
  - **'Creative services'** are generally commercial business-to-business services, including advertising, marketing, architecture, design, photography and software and digital content development. These are often technology based and desk-based and are found more typically in office and retail spaces. In terms of land use planning, creative services may be defined as a type of business or office use.
  - **'Cultural presentation'** is the performing, exhibiting and presenting of culture, often taking place in venues and other creative spaces, such as music and performance venues, community spaces, galleries, libraries and museums.
- Without further defining these land uses, creative services would 'price-out' genuine creative industries and other types of 'light industries' from industrial zones.
- Furthermore, the definition as proposed states that creative industry "...means a place **mainly** used to..." (emphasis added). The use of the word 'mainly' creates too much uncertainty and could be construed as, for example, 51% of the floor area.

## Changes to industrial zones

Significant concerns have been raised with the removal of the IN2 – Light Industrial zone. Council's principle concern is that the removal of the IN2 zone will permit 'general industries' in areas currently zoned IN2 which will result in the loss of, or incursion into, industrial land.

7. Inner West Council presently uses the IN2 zone as a 'transition zone' between IN1 and residential zones (see Figure 1 below). Rezoning existing IN2 land to E4 in most instances would not be practical given the interface with residential land uses. Such an interface would be contrary to Planning Priority E12 of the Eastern City District Plan (the District Plan) *'retaining and managing industrial and urban services land'* and Strategy 2.2 of Council's EaRLS *'protect employment lands from being eroded by conflicting and incompatible uses'*. As such, some IN2 zones would need to be rezoned to a suitable 'transition zone' such as E3 which will result in the loss of industrial zoned land. While it is acknowledged the E3 zone permits 'light industries', the reality is that the increased rents from other high order land uses would in most instances make 'light industries' unfeasible.



**Figure 1:** Example of current zoning where IN2 is used as a buffer between land zoned IN1 and residential.

- The need for a 'transition zone' and the importance of retaining industrial land are both supported by Objective 23 of the Region Plan which states that *"Safeguarding industries from encroachment from sensitive uses. Approaches, including buffers, can protect the operations of various industries (including concrete batching plants, waste handling facilities, freight activities) and should not be compromised by encroachment from sensitive land uses like residential, which are impacted by noise, light and odours. These tensions between uses have the potential to restrict the operation of existing industrial and urban services activities and thus have a negative impact on the productivity of Greater Sydney."*
- The omission of a light industrial zone would hamper Council's ability to achieve Planning Priority E12 of the District Plan which is to *"retain and manage all existing industrial and urban [redacted] and mixed-use zones"*.

8. The removal of a light industrial zone would affect Council's ability to tailor appropriate activities at a [redacted] is contrary to Planning Priority E12 of the District Plan states that states *"There will also [redacted] from time to time, to review the list of appropriate activities within any precinct in [redacted] of evolving business practices and how they can be supported through permitted uses in [redacted] local environmental plans. Any review should take into consideration findings of industrial, commercial and centre strategies for the local government area and/or the district."*

9. As previously mentioned, to avoid the loss of, and increased competition for industrial land, 'creative industries' in industrial zones should be limited to industries that 'produce' an item and not 'creative services'.
10. Council recommends the inclusion of an objective related to retaining and growing industries to support the local supply chains. This would support local and regional productivity, recognising that this has value in its own right, regardless of whether the particular instance would result in a small or a large number of new jobs.
11. 'Hardware and building supplies' should be located in the E3 Productivity Support zone, as they can afford to pay a higher rent, driving land and rent prices up in the industrial zone. The removal of 'places of public worship' from the mandated permitted uses is supported.

## Centres

The Paper proposes to replace the existing B1 – Neighbourhood Centre and B2 – Local Centre zones with the new E1 zone. The E1 zone functions more similarly to the current B2 – Local Centre zone which is reflected in the proposed objectives.

12. In principle a mix of permissible land uses in local centres is supported, however the Local Centre zone and MU Mixed Use zone both need strong objectives to retain and promote non-residential and employment-generating land uses, and to ensure developments include meaningful non-residential floor space. Without strong objectives, it is difficult to see how these zones will achieve their “...primary objective [which] is to promote employment-generating activities” as described on page 1 of the Paper.

- The proposed objective relating to residential development ‘To enable residential development if it will encourage a vibrant Local Centre’ is inadequate. This objective would require consent authorities and Courts to quantify and/or qualify the anticipated ‘vibrancy’ of a local centre that would result from a development. Non-commercial uses such as a boarding houses or hotel/motels could potentially satisfy this objective through delivering more dwellings (people) in the centre and thus contributing to its activity (vibrancy). Furthermore, it is Councils experience that in non-residential zones where ‘shop-top housing’ is permitted, this land-use will prevail and will often only include a nominal area of the ground level for retail/business uses. A stronger and clearer objective is required to address these issues.
- An objective should be included requiring the protection of existing non-residential floor space. Alternatively, an objective requiring an increase of existing non-residential floor space in the E1 and MU zones could be explored.
- Without clear objectives it will be difficult to achieve Strategy 1.2 of Council’s EaRLS which identifies the need to protect and increase non-residential floor space in centres, as well as Strategy 3.2 which identifies the need to strengthen employment role in mixed use development, which includes a variety of configurations (layouts, sizes etc).
- It would also be difficult to achieve the principles in Priority E6 of the District Plan which require that “...housing should not compromise a centre’s primary role to provide goods and services” and identifies the need to “protect or expand retail and/or commercial floor space” and “protect or expand employment opportunities”. The strong wording of these principles should be reflected in the objectives.
- In the absence of clear objectives, Councils would be required to rely upon ‘Local provisions’ in the LEPs to pursue a genuine mix of uses, street level activity, protect/encourage non-residential uses and ultimately achieve the intent of the zone adding unnecessary complexity to

13. Council strongly objects to the omission of local centre objectives relating to ‘accessible locations’, maximising public transport patronage and encouraging walking and cycling. It makes good sense to locate employment, services, amenities, and higher scale residential development in accessible locations around public transport so that they are not reliant on private vehicles.

It is critical also from sustainability and health perspectives that the larger (but still local) centres retain the important objective of accessible employment and services. The accessibility of these locations is also important from a housing perspective, as these are the areas where increases in housing density is targeted.

- The effective removal of the B1 zone may impact upon the viability of established local centres currently zoned B2, as uses more suited to accessible locations choose to locate on the cheaper land in neighbourhood centres, competing with the local centres and drawing away

key uses that support centre viability. An example of this is the trend for full scale supermarkets to seek to establish in neighbourhood centres, with the result that they are lost over time, from the more accessible locations.

- The loss of uses from accessible centres, that are key to their viability and vitality, will also result in increased car use to access the neighbourhood locations, contrary to the sustainability principles in the Greater Sydney Region Plan (the Region Plan) and Council's LSPS.
- A principle of Priority E6 of the District Plan further reinforces this – "[centres should] *deliver transit-oriented development and co-locate facilities and social infrastructure*" and "*improve walking, cycling and public transport connections, including through the Greater Sydney Green Grid.*" Due to their location, many B1 zones could not facilitate transit-oriented development.

14. 'Function centres', 'service stations', 'tourist and visitor accommodation' and 'vehicle repair stations' do not directly serve the needs of the local community and/or are not compatible with predominantly residential land-uses that are adjacent to the centres. Furthermore, 'oyster aquaculture' is not a centre use. Flexibility needs to be provided to allow Council to determine whether these uses should be permissible to support placemaking.

## Mixed use zone

15. It is recommended that the MU1 mixed use zone is not pursued. It's function and permissible land uses are not distinct enough from that of the proposed E1 Local Centre zone to warrant its inclusion and is contrary to the intent of the Paper to simplify the number and use of zones. The stated intent of the MU1 zone is to support local centres and be used in locations not identified as being within or capable of being a local centre. However materially there would be little difference in the uses or mix of uses (and therefore function) between it and the E1 zone. Significant further work needs to be done to determine what role the MU1 zone will have and how it fits within the centre's hierarchy. The loss of existing zones and similarities between the proposed zones affects Council's ability support placemaking.
16. If the zone is pursued, an objective needs to be included ensuring that an area zoned MU1 is in an 'accessible location'. For the same reasons mentioned for the E1 zone, it makes good sense to locate employment, services, amenities, and higher scale residential development in accessible locations around public transport so that they are not reliant on private vehicles.
17. The MU1 zone appears to replace the existing B4 – Mixed Use zone which in Council's experience is results in developments maximising residential uses rather than delivering a meaningful mix of uses.

- The MU1 zone if retained, like the Local Centre zone, needs strong objectives to ensure developments include meaningful non-residential floor space. As stated, it is Council's experience that 'shop-top housing' developments often only include a nominal area of the ground level for retail/business uses.

inclusion of 'light industries' in the mandated permitted uses is unlikely to off-set the increased competition this land use will experience in other zones as they will be in direct competition with high order land uses.

18. 'Function centres', 'service stations', 'tourist and visitor accommodation' and 'vehicle repair stations' would be better suited to the MU1 zone rather than the Local Centre zone as they do not directly service the local community.

## Other zones

19. E2 Commercial Centre – the retention of a higher order centre is supported. Allowing Councils to decide whether to prohibit 'residential accommodation' is strongly supported as this supports Council led placemaking and a centres hierarchy, particularly if a neighbourhood centre zone is not pursued.

20. E3 Productivity Support - The objective *"To provide for land uses that are compatible with, but do not compete with, land uses in surrounding local and commercial centres"* is problematic as a number of the proposed mandated permitted uses, most notably 'business premises' and 'office premises' are also permitted in the E1 and E2 zones. The large number of mandated permitted uses and the effective collapsing of the B5, B6 and B6 zones further affects Councils ability to support placemaking.

- An objective needs to be included requiring that the residential amenity impacts arising traffic, noise and light are considered.

21. W4 Working Foreshore - Council recommends that 'artisan food and drink' should be prohibited in the zone to ensure maritime and waterfront industrial activities are protected. Strategy 2.6 of Council's EaRLS identifies the need to manage the growth of artisan food and drink to reduce pressure on industrial zones.

22. SP4 Local Enterprise - This zone is inconsistent with intent of the reform to apply a more consistent framework across the State.

### **Timeframe for implementation**

23. The timeframe proposed for Council to implement the changes is inadequate. While it is noted and appreciated, that DPIE is proposing to support mapping work to merge zones, this will not replace the need for council to undertake significant work at the local level to implement the merged zones. For instance:

- Council will need to undertake significant work to assess the best option for each existing B1 zone. In Inner West, there are B1 zones that are just a single site, B1 zones that mainly consist of urban support services and more typical neighbourhood centres, with this variety resulting from the past history of mixed land uses in this established area.
- Similarly each of our existing light industrial precincts will need to be considered separately, as many continue to support industrial uses, but adjoin residential uses, as outlined above.

Thank you again for giving us this opportunity to comment on the Paper. Should you need any further information or clarification regarding the content of this letter, please do not hesitate to contact Senior Strategic Planner [REDACTED]

Sincerely,

[REDACTED]  
[REDACTED]  
Strategic Planning Manager